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Chapter 3
New agendas, old habits in Amazonian forest policies

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Abstract

The forest sector has experienced profound changes worldwide since the 1990s. Property rights over forest lands have been devolved to resident populations. Over 60 countries with large extension of tropical forests have decentralized their government processes, including forest decision making. Where decentralization has occurred, local people have gained a voice in local government, which in theory extends to forest decision making. Forests have also gained a new role as a contributor to rural development and community forestry has expanded as a result. This chapter reviews the unfolding of those trends in the Amazon region, in particular in Bolivia, Brazil and Peru. While important progress has been made in devolution of forest property rights, forest decision making is still largely in the hands of specialized agencies. However, often through grass roots organizations and NGOs, local interests are being taken into account. Communal forestry is increasing, but still at a rather slow pace. The old political habits slow down progress in forest governance reform. The timber industry continues to expand, and in the entire region illegal timber extraction exceeds legal extraction. Forest regulation is designed mainly for a timber sector forest exploitation model, and governments impose excessively complicated and expensive administrative requirements on the new forest users. National political struggles in Bolivia and neoliberal economic policies in Peru undermine the progress that Amazon countries have made in their reform of forest policy.

1. Introduction

The last two decades have seen important and encouraging changes in the forest sector worldwide, what Sunderlin et al. (2008) call a forest paradigm shift. Since the late 1970s tropical deforestation has become an issue of worldwide concern. The issue was high on the agenda of the 1992 United Nations Conference on Environment and Development in Rio de Janeiro, and this pivotal meeting has been followed by subsequent intergovernmental forums and plans of actions, currently known as the United Nations Forum on Forests (UNFF 2009). This forum and participating UN member countries are committed to achieving sustainable forest management and enhancing the contributions of forest to development goals. Similar changes have been taking place at the country level. Since the early 1990s many countries have adjusted their legislation to reflect the changing views of forest. This has included legislation to transfer property rights to local forest users, which has encouraged granting indigenous and small holder private ownership or allocating forest land exclusively for local users (Sunderlin et al. 2008). In addition to these wider forest governance changes, related projects in communal forest management and communal forest enterprise development have emerged (Sabogal et al. 2008). Community forestry has been introduced and promoted throughout Latin America (*Ibid.*) with important successes in Central America and Mexico (Bray et al. 2005).

The forest sectors in countries in the Amazon basin have experienced equally profound changes of the last two decades. Most relevant, perhaps, has been the change in formal property rights over forest lands, which has advanced more in South American countries than anywhere else in the world (Sunderlin et al. 2008). Since the mid-1990s forest policies have been adjusted to refocus the forest sector on rural development and conservation, as

opposed to promoting corporate forestry dedicated to commercial timber extraction. These recent shifts suggest that forest conservation, equitable benefit sharing and national development objectives are better addressed now than they were several decades ago.

In 2008, tropical forestry took a new turn. The contribution of forest conversion or degradation to global carbon emission is generating many so-called REDD initiatives (Reducing Emissions from Deforestation and Degradation). REDD was preceded by payment for environmental services (PES), which includes REDD as well as other services like downstream water regimes and biodiversity conservation. REDD and PES increase the market value of intact natural forests. Holding ownership over those forests should, in theory, create conditions that allow people to benefit from the increased value of standing natural forests.

Other factors, however, are having worrisome effects on forests and their benefits. Biofuel production—carbon dioxide neutral alternatives to fossil fuel—is gearing up in major tropical forest countries like Indonesia and Brazil. While biofuels and REDD initiatives are the most visible and high profile trends in tropical forestry these days, other trends can also be expected to have impacts: high oil prices, as experienced in 2008, and the current international financial crisis will arguably continue to impact tropical forests. Both trends already have seriously impacted rural livelihoods as commodity prices have increased, incomes declined, foreign remittances reduced and a vast number of people returned to the countryside from cities because of lost jobs. The latter trends are likely to continue for some time, and it can be expected that rural people will increasingly turn to forests to make up for the economic downturn.

While the sketch of the forest sector above might suggest that Amazon countries would be well positioned for appropriate policy responses to the trends presented, a closer look at the political landscape invites a more sobering outlook. A deeper examination shows important positive developments but also some persistent obstacles that have prevented the forest sector from achieving rural development and conservation objectives, even though these objectives were actively pursued in policies and legislation. Furthermore, in several of the countries with Amazon territories, the wider political landscape is negatively affecting the forest sector.

This paper aims to provide a brief synopsis of the forest sector and its recent policies in the Amazon basin. The paper also presents some of the extra-sectoral factors that are currently influencing forestry itself. Based on this overview, the paper then speculates on what may lie ahead given the contemporary worldwide trends mentioned. The focus of this discussion is Bolivia, Brazil and Peru, three countries that hold within their territories 7%, 60% and 13% respectively of the 5.5 million km^2 total Amazon tropical forest. These countries are growing increasingly connected by an ever-expanding road network, a fact that will greatly influence the future of the Amazon forest landscape and forestry.

Section Two summarizes the positive trends of the last two decades in the forest sector in the three countries. Section Three observes some of the "old habits," that constrain the forest agendas for conservation, poverty alleviation or national economic development. Section Four draws some general points from the evidence presented in the chapter and Section Five concludes.

2. New forest agendas in Latin America

The Amazon region countries have completed important forestry reforms over the last decades, as part of the global trends in forestry mentioned above. There are three main indicators of the changes that have occurred. The clearest indicator is the widespread forest and forestland tenure reform. A second indicator is the change in forest related decision making and the extent to which decision making became more democratic and participative. A last indicator is the progress that has been made in so-called "communal forestry" in various countries in the region.

Tenure reform

Brazil's most recent land and forest tenure reform began with the revised 1988 constitution which recognized rights to land by indigenous people and slave descendents. The same constitution also distinguishes between public and private property, determining that forests held under any other regimes but private property are considered public lands. The total area of 381 indigenous lands and 35 extractive reserves is about 115 million ha, or over 20% of the Brazilian Amazon (Chirif and Garcia-Hierro 2007, Stone 2006). In addition to these two categories, Brazil recognizes land rights held by communities of slaved descendents, and so called sustainable use settlement projects, which are similar to extractive reserves.

An important and widely known example of tenure reform related to forests is that of the extractive reserves of Brazil. Extractive reserves are large areas of mainly forested lands, mostly found in the Eastern Amazon, where the resident population has been granted exclusive use for forest exploitation. Extractive reserves result from claims by local populations that protecting their customary

forest use is a sustainable development and forest conservation strategy. By 2006, extractive reserves totaled of over 8 million ha, with individual sizes varying between 1,181 ha and 1,319,661 ha (Stone 2006, Cronkleton et al. 2008).

The establishment of indigenous territories in Bolivia parallels the extractive reserves in Brazil. Bolivia began to revise its forest governance in the early 1990s. A significant step was signing the ILO Convention 169 in early 1992, which calls for the recognition of indigenous property rights over lands which were historically under customary ownership. Bolivia subsequently enacted legislation to implement the convention and initiated wide ranging land tenure reform. Since the mid 1990s, large stretches of ancestral lands have been granted to indigenous groups as original communal territories (TCO for its acronym in Spanish). Sources provide different figures about the number and extent of TCOs. Chirif and Garcia Hierro (2008) provide a figure of 12.5 million ha of land that has been requested by indigenous groups, of which 7.4 million ha had been titled by 2006.

In addition, other legislation allows formal recognition of erstwhile legally nonexistent rural communities and has allowed farmer communities in the forest rich Bolivian Amazon to be granted communal lands. The size of the grant is equivalent to the number of families in the community times 500 ha. As a result several million ha of forestland in the north are now communally owned, in addition to the TCOS held by indigenous groups.

The picture of tenure reform in Peru is less unequivocal as in Bolivia or Brazil. Taylor (2006b) mentions that state recognition of indigenous land rights already happened in 1916. However, only in 1974 did the country's legislation formally recognize indigenous communities as a legal entity that can solicit property rights over forest territory. A territory titling process for indigenous communities only began in the 1980s, but has meanwhile resulted in over 10 million ha of land being titled for indigenous communities. This is only 62% of about 16 million ha that AIDESEP, the association representing Peru's indigenous federations, proposed as a goal (Chirif and Garcia-Hierro 2007).

The legislation, however, distinguishes between rights to agricultural versus forest land. An indigenous community may hold legal property rights over the former, but only usufruct rights over the latter (Chirif and Garcia-Hierro 2007). Lakes and rivers, common in most parts of the Peruvian Amazon and an integral part of customary territories, are entirely excluded from the indigenous territories legislation. These stipulations seriously weaken the rights held by indigenous communities, and cases have occurred in which government officials chose to ignore even those recognized rights and allow intrusion by other parties, even leading to violent conflicts (Chirif 2008). Of further concern is the quest for sub-soil natural resources. Almost the entire Peruvian Amazon is carved up for possible exploitation; 36 million ha overlap with indigenous territories. While communities must technically be consulted if mineral exploration is to take place, it does not mean that communities are protected from danger: companies operating inside watersheds have left parts of indigenous territories with high levels of contamination and near toxic levels of contamination of the resident population.

In addition to indigenous communities, a significant number of farming communities occupy territory along rivers and the main roads. While most of them have some degree of formal recognition by the state, there are few who have acquired the legal status of *comunidad campesina*. Those that do not have this status are not able to hold legal title over territory. In practice the communities in the Amazon that are formally recognized also have a communal territory (see http://www.siamazonia.org.pe accessed 2009-2-6). These are usually small areas, and formal property rights can be held only by individuals. In addition, communities have so called communal reserves, protected areas over which communities hold limited rights for natural resource use.

Democratization of forest decision making

The three countries reviewed here have experienced important decentralization processes over the last two decades (Larson et al. 2006). These decentralization reforms have been significant and far reaching. While they have impacted forest decision making in different degrees, without doubt decentralization—as well as other related governance reforms—has had important implications for the democratization of forest decision making.

Brazil has a federal political structure, which means that while national policy and legislation define the general aspects of forestry, state governments have gained important influence over forest matters: control of forest policies falls within state jurisdiction (Larson et al. 2006, Stone 2006). For instance, the state of Acre, the home of the rubber tapper movement, has since 1998 promoted sustainable forest management, including community based initiatives (Stone 2006). Brazil, like many other countries in South America and elsewhere, has also assigned important responsibilities, authority and resources to municipal governments. However, most municipal governments carry out little forest decision making. Specific agencies in charge of forest property categories dominate decision making where diverse property regimes is concerned. The extent to which

these agencies allow for democratic decision making varies per agency.

While formal governance reforms—mostly reflected in the decentralization process—have yet to seriously affect forest decision making, several agencies and state governments have become more susceptible to pressures from forest stakeholders and their support organizations. The latter have formed various more or less formal coalitions, often reaching beyond national borders (Colchester et al. 2003). By using national and international media and political lobbying, forest stakeholders have become effective in influencing agencies and state governments in the definition of forest related policies. The literature also reports that Brazilian state governments have become more forest and forestry development minded on their own initiative, even where civil society organizations remain weak (Stone 2006).

Beginning in the 1990s, Bolivia experienced a municipalization process similar to Brazil's. Decentralization reforms and a new forest law gave municipal governments wide reaching decision making autonomy over municipal forest lands. These reforms meant that forests could be given out as concessions to organized groups other than forest companies. Forest-rich municipal governments were required to set up their own forest unit, and in some municipalities they actually took activities over from the national forest agencies (Taylor 2006a). In addition to making forest decision making more democratic, the changes also made the forest sector more accountable and transparent and eliminated some of the most blatant political patronage that marked the sector before the mid-1990s reform.

The forestry reform fundamentally changed the rules of forest exploitation in Bolivia. Concession holders, including communities, now pay a fee per area and not per volume of product exploited as before. The new fee structure was expected to finance agencies in charge of implementing and monitoring and leave funds to be invested into forest research. Furthermore, the demands on forest management plans and annual operation plans became stricter.

While decentralization in Peru has not progressed at the same pace as in Bolivia and Brazil, the country has experienced other encouraging forest governance reform mechanisms. Peru enacted decentralization legislation to transfer important faculties and resources to departmental governments and municipalities. The actual implementations of these new regulations, however, have been quite slow, largely because of a tenacious resistance from past several central governments in power. Only in the last few years have Amazonian departmental governments actually been taking over control of forest governance.

However, as in Brazil, civil society in Peru has been quite pro-active in pursuing local land rights, sustainable forestry and communal forestry agendas. During the early 2000s shortly after the collapse of the Fujimori regime when the country was in serious political crisis, in several regions in the country including Lima so-called forest *mesas de concertación* (reconciliation tables) emerged. *Mesas de concertación* were regular meetings of actors who had some interest or stake in the forest sector to discuss pressing agendas that had not been agreed upon by the participants. While *mesas de concertación* had no formal authority, they were quite influential and were taken very seriously by the various government agencies. The latter also actively participated in the meetings. The *mesas de concertación forestal* or related groups continue today in Peru and in some cases have become quite influential forums.

Advances in communal forestry

Sabogal et al. (2008) consider communal forestry as all forest management not carried out by corporate or single person enterprises, with the purpose of improving the well being of members of villages or other types of settlements through sustainable forest use. Community forestry operates within the bounds of relevant legislation, makes collective decisions on areas being managed, applies reduced impact management, focuses mainly on forest product commercialization and receives external technical support. While this definition of communal forestry excludes, for instance, forest management carried out by many Amazonian residents that is not market-oriented, it does, however, allow for an assessment of how much progress forestry reform is making in achieving development objectives. Regardless, data on communal forestry is hard to come by, which makes assessing progress difficult even under such a narrow definition.

While communal forestry, often manifested as communal forestry enterprises (Molnar et al. 2007), has made considerable progress in countries like Mexico, Guatemala and Honduras, the progress is more limited in Amazonian countries. In Brazilian state of Acre, where communal forestry has progressed most (*Ibid.*), government support for communal forest initiatives has significantly improved (Cronkleton et al. 2008). The support shifted its focus from rubber, to Brazil nut, and finally to also include timber. Rubber used to be the mainstay of communal forestry in Acre before it was replaced by Brazil nut when state rubber subsidies stopped. Brazil nut production was eventually outstripped by Bolivia, prompting the recent focus on timber that has taken place in Acre. While some communities have been making the transition to

timber, this has not yet been a region-wide trend because of locally limited capacities and persistent constraints from regulatory agencies. Since 2000, the state government has expanded its support to 26 communities that previously largely focused on rubber. In 2005 a cooperative was established to support timber producing communities. Because of the constraints and limited progress, many people are turning to cattle ranching as an alternative to communal timber production (Cronkleton et al. 2008).

One trajectory of communal forestry can be seen from the example of the sustainable development reserve in Mamirauá in the state of Amazonas. Beginning in the late 1970s, communities began to protect fish stocks in lakes located within the forest territory. In the mid-1980s, conservationists started to promote the region as a conservation area. Since then, communities, conservationists and the Amazonas government have negotiated to reach common ground. Existing communal organizations set up since the 1970s played an important role in the progress made. Important advances have also been made in organizing communal logging, building very much on existing communal practices. An important adaptation has been to simplify the regulatory norms for communal logging so that participants do not have to prepare the elaborate and expansive management plans usually required (Cronkleton et al. 2008).

Communal forestry in Bolivia has equally significant experiences to report. Communities have several ways to access the forest for communal forestry. They can organize themselves as a social site group (ASL for its acronym in Spanish) in which case they can access public lands outside communal territory. By 2006 the Forest Service had approved 29 ASL management plans for a total of 600,000 ha, and some 83 ASLs had registered. Not all ASL members, however, are community members, as several cases are known of ASLs composed of members who reside in local towns.

Bolivia's forest law grants indigenous inhabitants exclusive rights to exploit forest products from the lands they own, including TCO lands. Nebel et al. (2003) estimate that indigenous groups hold 8.3 million ha of forest with commercially valuable timber. In 2006, 83 indigenous community forest enterprises had a forest management plan or an annual logging plan and exploited more than 1.3 million ha (Benneker 2008). NGOs finance most of the forest management plans and annual logging plans, and corporate forest enterprises finance an important number of annual logging plans. About 20% of the plans were financed independently.

The influence of private companies in communal forest development in Bolivia is most notable in the increase of farmer communities managing forest areas over 200 ha, an area that needs a formally approved management plan. By 2006, 52 communities held forest management plans and 28 held annual logging plans of a combined area of more than 500 thousand ha. About two thirds of these plans were financed by timber companies and about one third by NGOs. When timber companies finance the management plans, communities sell their timber exclusively to the company, and the company may be fully in charge of the logging. Several mechanisms exist for farmers to log smaller tracks of forest with more simple procedures. However, in many instances, these mechanisms have been used to illegally log timber from wider areas (Cronkleton and Albernoz 2004, Benneker 2008).

The Brazil nut sector in northern Bolivia has experienced important communal forestry progress. Previously most Brazil nut stands were held in private estates by the regional economic elite. As a result of the region-wide devolution of forestlands to communities, community members have increasingly shifted to harvesting Brazil nuts from their own communal lands instead of working as laborers on private estates. In the department of Pando alone, 157 communities had their communal land formally recognized as part of the national land titling process. Approximately 40% of the territory in Pando, a total of 2.4 million ha, is now under indigenous or communal ownership. All of these communities are likely to be harvesting Brazil nuts from their own lands.

Peruvian legislation defines communal forests as located within indigenous lands and small farmer communities; these forests are for exclusive use by the communities, providing they are exploited with approved management plans. Legislation related to protected areas requires consultation with resident communities, and their representatives must join protected area management committees.

Peru's progress in communal forest management was heavily influenced by its turbulent recent history. During much of the 1980s and 1990s, the important forest regions were controlled by insurgent groups or were the theater of battles with armed forces. The actual management of forests by communities, to the extent that community forestry as defined by Sabogal et al. (2008) is taking place, is still limited to some 80 initiatives. Some important experiences do exist related to protected areas and forest with similar status (Alvarez et al. 2007). However, in general protected area management remains top down and does not truly meet participatory standards (Swiderska et al. 2008).

3. Old habits in Latin American forest policies

The persistent timber industry

In Brazil, Bolivia and Peru the timber industry has continued to thrive and remains an important player in the forest policy arena; as such, timber companies often interfere with the forest activities of other actors.

Since signing the new forest law in 2006, Brazil introduced the concept of national forests and expects to designate 50 million ha as national forests by 2010. In 2005, a new concession system was enacted for the exploitation of national forests, and the newly establish Brazilian Forest Service is now in charge of its implementation. This policy, however, still awaits full implementation as only 14 million m^3 of timber were authorized to be logged in 2004, while that year saw production 24.5 million m^3 (Barreto et al. 2006), about two thirds for domestic consumption. Brazil also has 28% of its Amazon territory designated as conservation area and plans to protect an additional 10% (GFW 2009).

The forest sector in Bolivia has changed dramatically in the past three decades. The country's timber industry expanded significantly in the 1970s when tropical forests became accessible because of oil exploitation. Then nationwide economic decline, particularly the differential exchange rate applied at the time, negatively affected the timber sector. Once Bolivia adopted neoliberal economic policies, the timber sector bounced back. However, the sector became notoriously corrupt and a tool for political patronage. By 1994, timber companies had been granted 20 million ha of forests for logging; production had increased from 320,000 to 448,000 m3. During the late 1990s, production declined drastically because of a regional economic crisis and also because of the new, stricter forest regulations. The 2005 production reached 826,000 m3 and in Bolivia some 2 million ha of forest land were certified, mostly in large concessions (Pacheco et al. forthcoming).

The forest sector in Peru had mostly collapsed by the beginning of the 1990s because of civil war and threats from insurgent groups which controlled access routes to timber-rich forests. When the civil war subsided, the industry rebounded though initially with little effective regulation or control. Timber came mostly from annual harvesting rights over 1000 ha areas, but companies were exploiting much larger areas in reality. The new timber legislation assigns exploitation rights based on public bidding with an area-based fee and under strict management and administrative rules. However, the implementation of forest regulation is minimal, and almost all of Peru's timber is from illegal sources.

The fact remains that, despite efforts to control the timber industry, illegal logging is rampant in Peru, Brazil and Bolivia. Barreto et al. (2006) suggest that 40% of Brazil's production is illegal, and most experts estimate that 90% of the timber from the Peruvian tropical lowlands is logged illegally. Furthermore, given the administrative and technical requirements required to run logging operations (see the next section), new forest actors often have no other choice than to turn to companies to assist them when trying to get access to timber on land that is now theirs (Benneker 2009), mostly on very unfavorable terms for communities.

Regulatory obstacles to democratic forestry

One of the consequences of the forestry reforms described above is that stricter rules on forest exploitation apply to all users. Corporate actors, small entrepreneurs, and community actors are required to follow often unreasonable regulations that do not adequately consider the potential impact of certain forest uses or users or the capacities of the users to comply with the regulations.

In Bolivia and Peru, there is no distinction between who engages in forest exploitation and the technical requirements of the exploitation. In Bolivia, a distinction is made for timber exploitation of areas larger and smaller than 200 ha. Areas under 200 ha do not require a detailed management plan. However, for areas over 200 ha, forest companies, ASLs and communities all need to prepare technically complicated management plans that are costly to prepare and require expensive expertise, yet which are often ignored once approved.

Brazil nut collection is another forest activity for which the Bolivian Ministry of Sustainable Development has elaborated a set of norms (MDS 2009). However, the norms are shaped largely on a timber extraction model. In most cases, only people with professional training, certified as forest technicians, are allowed to prepare the necessary inventories and management plans in order to get official permission to extract Brazil nuts. This implies that, according to the rules, potential Brazil nut collectors, even those who collect from communal forest land, would need to engage university-trained specialists to undertake the necessary data collection and prepare a management plan that conforms to the technical guidelines. However, the costs required for such management plans far surpass the income from Brazil nut collection. As a result, Brazil nut collection in Bolivia remains largely outside of any regulatory mechanism.

As mentioned above, Brazil has actually adopted regulations that simplify the procedures

for communities engaging in timber extraction. However, Brazil is still the exception rather than the rule. In addition to the complex regulations and administrative procedures required to gain legal access to forests in Amazonian countries, institutional weakness, lack of administrative capacity and rampant corruption among agencies in charge of natural resource administration are common. One example from Peru that demonstrates these constraints involves an indigenous group, the Yacutaita. The group began an initiative in the late 1990s to manage fish reserves—especially the highly priced and much sought after *Arapaima gigas*—in the Dorado Lake, located within the tropical lowland National Reserve Pacaya Samiria. With assistance from a Peruvian NGO, the Yacutaita prepared an *A. gigas* management plan, which focused mainly on monitoring the lake to keep out all illegal fishing. However, the plan took nine years to be approved, even though monitoring the species and establishing a corresponding fish quota is a fairly straightforward process. During these years, the community achieved an *A. gigas* population increase from a handful to 600 mature individuals. Only 10 percent of the mature population was to be harvested and sold annually, with which the community could finance the monitoring costs and still obtain a handsome profit. However, in 2008, even though the community had an approved management plan, the annual harvesting permit was rejected because of technical observations. This will likely undermine the monitoring activities, which are financed by the annual harvest. As a result, the Dorado Lake fish population will once again be subject to rampant illegal fishing (Chirif 2009).

Political battlefields and forest policies

Bolivia, like many Latin American countries, has seen significant upheaval throughout most of its history. A new chapter began when Evo Morales and the MAS social movement were voted into power three years ago. MAS and Morales represent mostly Andean indigenous people and traditional coca growers, people who until recently had largely remained at the margins of the political theater, which, until recently, had been dominated by parties representing the economic elite and the more traditional labor organizations.

The political victories of MAS and Morales caused alienation with the elites in four of Bolivia's nine departments in the eastern area of the country. Three of these departments, Santa Cruz, Beni and Pando also hold most of the country's tropical lowland forest.

While the forest sector in Bolivia has experienced important and positive changes, as explained above, the sector also has serious structural weaknesses that require a sustained political and institutional support and possibly future adjustments (Ruiz 2005). The new forest regime relies on a national agency to administer and monitor, and municipalities and departmental governments are largely in charge of forest development of forests that are held as private property by indigenous groups and small farmer communities or as concessions by timber companies and ASLs. The system was working poorly, even before the MAS government took control of Bolivia. The national forest agency relied on fees and taxes from the sector for its daily operation, but forest users, especially timber companies, were unwilling or unable to pay the per area fees established under the new regulation. The forest sector was of little interest to departmental governments, and municipal governments often had insufficient capacity and resources to establish effective forest units. As a result, the new forest regime has almost collapsed. While it promoted forest devolution, allowed multiple actors to enter the sector and promoted democratic decision making, the new forest regime was largely a neoliberal endeavor, since it promoted profits and relied on market mechanisms.

The MAS government intended to pursue a more socialist agenda, making community forestry a top priority (Pacheco et al. in preparation). This new focus, however, has hardly been pursued yet, in part because most of Bolivia forest activities are located within three departments that oppose the government. The departmental governments view the heads of the departmental offices of the national forest agencies as representatives of the MAS government. Furthermore, the same political battles are being played out at higher levels: USAID and various other international development agencies that supported forestry joined the trend of antagonizing the MAS government, even before the United States' ambassador to Bolivia was expelled from the country in 2008. As a result of these recent developments, the Bolivian forest sector is in virtual stalemate. The successfully passed recent referendum, in which a new Constitution was adopted that promotes distribution and equity, including access to forest lands, is likely not to change the conflicting positions between the national government and forest-rich departments and municipalities.

Similar conflicting national and regional tensions can be reported from Peru. In October 2007, Peru's president, Alan Garcia Perez, wrote in *El Comercio*, the country's most respected newspaper, an article with the title: *El syndrome del perro del hortelano*, which loosely translates as "the dog in the manger." It is a metaphor that symbolizes Garcia's disagreement with forest policies which emphasize forest conservation, which recognize

ancestral rights, and which promote locally driven economic and social development.

The Garcia government's views on the forest sector are driven by two main forces. One is its faith in neo-liberal economics as the way to solidify or expand the macro-economic growth that Peru has experienced since the end of 1990s economic crisis and political turmoil. When in power from 1985 until 1990, Garcia and his APRA party pursued a progressive economic policy, which included a moratorium on national debt payments and the nationalization of major banks. Since returning to power in 2006, Garcia has pursued a neoliberal economic policy, continuing the trajectory of his predecessor, Alejandro Toledo. The second driving force is the recent free trade agreement with the United States. While that agreement was approved under the Bush administration, the majority Democratic Congress required that Peru address illegally logged timber entering in the United States. The Garcia Government has used the Peru-US FTA to pursue forest policies that are ultimately driven by a neoliberal economic agenda, favoring privatization and capital investment, with the expectation that this will benefit all forest stakeholders. The Garcia government proposed legislation—Decree 1015 and 1073— which would allow a simple majority of votes, as opposed to requiring a 66% majority as was established by previous legislation, to decide on the assignment of communal lands, including sales to outsiders. This was seen by many people as a measure to permit private companies to buy communal lands and use them as private investments. After widespread national and international protests, the proposal was voted down in August 2008.

A similar example is the proposition of Decree 1090, essentially a revision of the forest law demanded by the United States for the free trade agreement to be signed. The revision ironically identified as "the law of the jungle" created the opportunity to obtain private ownership over so-called "vacant lands" (*tierras eriazas*). The lands described under this legislation can only be used for reforestation purposes. Supposedly, some 8 million ha of the 63 million ha of forest lands, are apt for such reforestation on privately held forestlands. Already some cases have been reported in which fully-grown forest was given as a reforestation concession, effectively giving a carte blanche for indiscriminate logging of the forests, something that is widely expected to occur under the proposed new legislation. Many also foresee legal opportunities for economically powerful actors to obtain legal ownership rights over land held under usufruct property rights by others.

4. Amazonian forest policy: A Sisyphus syndrome or a tripudium step?

On reviewing the evidence presented in sections two and three, there seems to be reason to be optimistic about Amazonian forestry and related forest policies; but at the same time there is reason for concern. Probably the biggest advance in the last two decades is that forestry is now generally viewed as a sector that can address some social goals by providing various services and addressing certain needs, including development and conservation, in addition to national economic growth. Not least of all, it is now widely recognized and even enacted as law that development objectives are primarily a matter to be determined by those who are to be affected.

The tenure reforms summarized above and described in more detail elsewhere (Larson et al. 2008) are certainly important and relevant advances, because they provide the very foundation necessary to realize the multiple goals that forests are now expected to fulfill. However, gaining property rights without any significant opportunities to improve additional outcomes make these changes meaningless. So far, the evidence suggests that property rights reforms have not yet generated major additional positive outcomes. While communal forestry is being promoted and is having some success, the commercial timber sector has continued to expand, in many cases competing with communal forestry (Sabogal et al. 2008). Sunderlin et al. (2008) had to search extensively in the material that they have gathered on forest property changes between 2002 and 2008 to come up with a short list of examples where changes in property rights resulted in benefits to communities, lower levels of illegal logging or more sustainable use of forests. As Benneker (2008), de Jong et al. (2006) and Cronkleton et al. (2008) have shown, the private sector has adjusted to the property rights changes, but is in many cases coercing the new forest owners into agreements and collaborations in which the terms are largely dictated by the powerful and political well-connected private sector.

The governments and government agencies responsible for regulating and administering natural resources of Peru, Bolivia and Brazil are to be commended for advances, but at the same time they can be blamed for lack of progress. While at times enlightened government personnel might go to great efforts to adjust forest agendas to better comply with the multiple goals of the forest sector, it is this same sector that imposes obstacles to progress. For example, even though

there were serious weaknesses, there was much potential in the forest sector reforms in Bolivia in the 1990s; nonetheless, political infighting has seriously curtailed the positive trends. This has come on top of disingenuous attitudes among lower tiers of governments where often political success and survival had priority over implementing forest policies that would assure more equitable, democratic and sustainable outcomes.

The forest sector worldwide has been plagued in recent years by rampant illegality. This illegality is of great concern. It reflects on the one hand that societies are more concerned about their natural resources, that the value of tropical forest has increased, and that the sector is now better incorporated in national administration and regulation processes. As a result illegality has become more visible. On the other hand, the illegality shows that the possibilities to impose the rule of law on the forest sector have yet been quite limited. International Forest Law Enforcement, Governance and Trade initiatives have arisen in response (e.g. Van Bodegom et al. 2008).

A major question remains on how these processes will influence the outcomes of future trends in forestry, now that the value of forest is being upgraded because of recognition of its importance in mitigating climate change. Many have suggested that REDD processes create important opportunities to generate incomes and that a great part of these incomes can be captured by the people who most need them and who traditionally have been excluded from capturing forest benefits by other players in the sector (Angelsen 2008). However, the Amazon has a history of economic booms and busts, when certain forest products from the region—quinine, rubber, barbasco, oil and timber—experienced increased international demand followed by sudden drops in prices. Compliance with rules and regulations and fair play has never been a common feature of the Amazon forest sector, and such compliance was certainly not a characteristic of the boom periods. While this is no ground to be pessimistic, it should pose a warning of the challenges ahead, if compensation for reduced deforestation or degradation will be widely implemented in Amazonia. Fortunately, since the issue at stake—global warming and its expected negative climatic consequences—is of international concern, there is likely to be serious international monitoring and pressure to ensure compliance with globally accepted standards of good governance. For instance, international pressure can in part be credited for the changes in property rights mentioned above.

The possible impact of the current financial crisis and future economic instability for groups that are at the edge of poverty, and what this means for the forest sector, should be of concern. In a future scenario of possible destitution caused by international economic instability, cases where people turn to forest and forest lands for solutions is not merely imaginary. Neither are possible related conflicts with the new forest owners, companies, or conservationists. The Peruvian case of *Flor de la Frontera*, where an indigenous group violently evicted illegal settlers within their territory in 2002 and caused the death of 16 people, should be viewed as a warning of things to come. The administrative apparatus was inadequately prepared to deal with such problems; this is even more reason for concern.

5. Conclusions

Forest policy in countries of the Amazon basin has experienced many changes in the last two decades. Property rights reforms, improved democratic decision making and progress in communal forestry are all positive developments. On the other hand, national governments are reluctant to give up old ways because they want to maintain a viable timber sector for its contribution to the national economy and the need to satisfy national demand for timber. The tropical forest sector suffers from poor governance more than other sectors because of its recent history as a sector dominated by a small group of wealthy entrepreneurs and political cronies and because of the practical difficulties of monitoring the forest for compliance with the law. The unfamiliarity of many of the new actors, including remote local communities, with administrative procedures and/or their lack of political clout has limited their potential to seriously influence forest policy formulation and implementation. Furthermore, if economic instability affects large populations in Amazonian countries, people may increasingly turn to forests to make up for losses suffered elsewhere. Some recent cases suggest that this could increase conflicts between the new owners of tropical forests and people who are affected by economic decline. This is the landscape within which REDD mechanisms will be implemented, and these conditions need to be considered seriously if REDD mechanisms are to contribute to furthering the goals of equitable development and democratization.

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